

bvse market report: plastics, June 2024

1 General economy and reference to the plastics industry

ifo economic forecast summer 2024: new hope but no summer fairy tale (yet). The Head of Economics, Wollmershäuser, declared that new hope is emerging at the moment, see <https://www.ifo.de/prognosen/ifo-konjunkturprognose>. The ifo-Institut has raised its economic forecast slightly. The German economy is slowly working its way out of the crisis. The economy will therefore grow by 0.4 % this year. In March, the expectations were for only 0.2 %. The Munich experts are predicting growth of 1.5 % for 2025. The Ifo-Institut is expecting inflation to fall further and consumers to be able to afford to buy more again. The inflation rate will fall noticeably from 5.9 % in 2023 to 2.2 % in 2024 and 1.7 % in 2025.

2 Primary markets - standard plastics

The Huthi rebels are still shooting at ships in the Red Sea. They are thus blocking the internationally important route through the Suez Canal. And this means that much longer transport routes, in this case around the Cape of Good Hope, are needed. Among other things, this makes transporting plastics to Europe much more difficult. Imported goods are becoming more expensive. However, the existing plastic production in Europe is benefiting from this.

The plastic markets have turned around; the prices of standard plastics are falling markedly! Provision with virgin grade is good, but there is still a lack of demand.

In May 2024, the EUWID average price of 1,473 €/t was therefore 41 €/t lower than in the previous month (1,514 €/t), see Tab. 2. In a year-on-year comparison, it can be seen that the average quotes from May 2024 (1,473 €/t) were 47 €/t lower than those of the previous year (1,520 €/t).

The plastic quotes changed on average as follows: LDPE by -25 €/t, LLDPE by -35 €/t, HDPE by -30 €/t, PP by -25 €/t, PS by -110 €/t and PVC by -10 €/t. NB! The strong fall in the price of PS! It is surprising that the lower price fall among the quotes is 20 €/t, whilst the upper price falls vary. The current market situation for standard plastics is portrayed well in EUWID, see www.euwid-recycling.de, and PIE – Plastic Information Europe, see <https://piweb.plasteurope.com/>.

Table 2: Standard plastics prices according to EUWID over the past five months, listed in €/t.

Prices in €/t	May 2024	April 2024	March 2024	Feb. 2024	Jan. 2024
LDPE film grade	1320- 1390	1360- 1420	1340- 1440	1310- 1390	1210- 1240
LLDPE film grade	1310- 1370	1330- 1420	1330- 1420	1300- 1370	1200- 1250
HDPE injection moulding	1320- 1360	1340- 1400	1350- 1410	1300- 1360	1200- 1240
HDPE blow moulding	1310- 1370	1330- 1410	1340- 1420	1290- 1370	1190- 1250
PS crystal clear	1880- 1940	1980- 2050	1950- 2030	1750- 1830	1600- 1680
PS high impact	2010- 2040	2120- 2150	2080- 2130	1880- 1930	1730- 1780
PP homopolymer	1430- 1550	1450- 1580	1430- 1530	1380- 1460	1330- 1410
PP copolymer	1480- 1600	1500- 1630	1480- 1580	1430- 1510	1380- 1460
PVC tube grade	1080- 1180	1090- 1190	1070- 1170	1060- 1160	1060- 1160
PVC film/cables	1210- 1310	1220- 1320	1200- 1300	1190- 1290	1190- 1290
Average Price	1473 ± 280	1514 ± 315	1500 ± 306	1428 ± 240	1343 ± 205

PET: The European PET markets are stabilising at a low level. The supply of PET is sufficient to satisfy the current demand.

The hopes that demand among private consumers will rise greatly because of the Football European Championships has not yet materialised in the view of the packers. However, higher consumption of

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beverages can be seen in current sales figures. A warm or hot summer that will greatly encourage the consumption of beverages has not (yet) been seen.

In May 2024 packaging PET was quoted on average at 1,265 €/t. And the price of PET is almost identical when compared to April, see PIE – Plastic Information Europe <https://pieweb.plasteurope.com/>.

3 Secondary plastics markets in the plasticker price index

The plasticker internet platform, see <http://plasticker.de>, publishes quotes on an hourly basis. The present market report indicates the final monthly prices. It is only possible to represent the preliminary prices for June 2024; they will not become definitive until early July 2024. The two quotes stated for June 2024 below indicate only an interim situation, see the left-hand column in Table 3 and Table 4.

3.1 plasticker: Standard plastics

In May 2024, standard plastics were quoted at an average price of 621 €/t and thus 12 €/t higher than in the previous month (609 €/t), see Tab. 3. The average price for May 2024 (621 €/t) was 80 €/t below that of the previous year (701 €/t). The May price index showed worse demand in comparison to the previous month.

There were significant price changes of greater than ±40 €/t only for LDPE regranulates at -70 €/t. Those price changes for which supply figures were too low (*) for statistical significance are not included here.

The probable average price in June 2024 (634 €/t) is therefore 13 €/t higher than the previous month (621 €/t), see Tab. 3. The price index of 20.06.2024 shows improved demand in comparison to the previous month.

Table 3: Standard plastics price according to plasticker; listed in €/t.

	June ⁶ 24	May 24	April 24	March 24	Feb. 24	May 23
HDPE regrind ¹	570	640	620	620	570	640
HDPE regranulates ⁵	970	960	980	960	860	1060
LDPE bale goods ²	550*	570*	280*	390	260*	300
LDPE regrind ¹	500	430*	410	570*	550*	730*
LDPE regranulates ⁵	830	790	860	810	730	910
PP bale goods ³	210	180	210	310	210	220
PP regrind ¹	600	580	630	660	620	740
PP regranulates ⁵	860	890	920	900	840	1030
PS regrind ⁴	770	760	760	710	770	910*
PS regranulates ⁵	870	850	820	890	900	1210*
PVC_P regrind ¹	740*	860*	870*	420*	630	680*
PVC_U regrind ¹	670	480*	480*	480	620	500*
PET bale goods	230*	320*	320*	380*	260	310*
PET regrind mixed colours	500	390*	370	550	420	570
Average Price	(634)	621	609	618	589	701

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*: Supply figure too low to attain statistical significance; ¹: equivalent to the grade "post-industrial mixed colours"; ²: equivalent to K49; ³: equivalent to K59; ⁴: equivalent to "standard, mixed colours"; ⁵: equivalent to the grade "regranulates, black"; ⁶: preview (may be amended by additional quotes)

3.2 plasticker: Technical plastics

For May 2024, there was an average price of 1,595 €/t, which was 31 €/t higher than that of the previous month (1,564 €/t), see Table 4. The average price for May 2024 (1,594 €/t) was 253 €/t below that of the previous year (1,848 €/t).

There were significant price changes of greater than ±70 €/t for: PBT regrind +70 €/t, PA 6 regrind +80 €/t, PA 6.6 regranulates +100 €/t and POM regranulates +420 €/t. The May price index is characterised by continuing subdued demand for plastic.

The probable average price in June 2024 (1,643 €/t) is thus 48 €/t higher than in the previous month (1,595 €/t). The price index of 14.06.2024 shows continuing subdued demand for plastic.

Table 4: Technical plastics price according to plasticker; listed in €/t.

	June ⁶ 24	May 24	April 24	March 24	Feb. 24	May 23
ABS regrind	720	680	710	750	750	910
ABS regranulates ⁵	1440	1420	1390	1460	1340	1530
PC regrind	1040	1110	1140	1250	1220	1340
PC regranulates ⁵	2370	2110	2110	2170	1980	2480
PBT regrind	740	770	840	790	670	750
PBT regranulates	2220	2000	2020	2310	2270	2580
PA 6 regrind	880	780	700	930	910	1100*
PA 6 regranulates ⁵	2500	2290	2320	2380	2360	2890
PA 6.6 regrind	960	960*	1010	1030	880	1310
PA 6.6 regranulates ⁵	2630	3020	2920	2900	3080	3520
POM regrind	760*	850	870*	860	680*	850*
POM regranulates ⁵	3260	3160	2740	2680	2720	2920
Average Price	(1643)	1595	1564	1626	1572	1848

*: Supply figure too low to attain statistical significance; ⁵: equivalent to the grade "regranulates, black"; ⁶: preview (may be amended by additional quotes)

4 Secondary plastics markets

At the press conference at the 26th International Conference on Plastic Recycling, 11/12 June 2021 in Dresden, it was reported that plastics recyclers are still in a critical situation. Recycling is hardly worthwhile these days because there are no sales of recyclates. Plastic recycling is facing considerable price pressure from virgin grade. A key problem is the low profits from plastic recycling. Low-cost virgin grade and off-spec grade from the Far East are kicking recyclates out of the market, which greatly impairs recyclers' profitability. Moreover, off-spec is often wrongly sold as recyclate.

In Germany, the challenges from inadequate payments on collection and sorting are considerable. And this results in a worse quality of the collected and sorted materials, which impairs the subsequent recycling.

What's more, false incentives in licensing in the Dual System lead to a preference for packagings made of glass, compound materials and metals, whereas plastics are disadvantaged by penalties.

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4.1 Recycling standard plastics

Plastic wastes, in this case bale goods: The May price index for waste plastics in Germany in EUWID is showing slight price rises for selected quotes of PE and PP, especially film, see www.euwid-recycling.de. The PE film bale goods from post user waste recorded price rises, which were between 10 €/t and 25 €/t on average.

EUWID, regrinds: In May, the PE production waste regrinds were priced an average of 10 €/t higher. PP production wastes were quoted an average 20 €/t higher. PVC and PS were quoted at unchanged prices.

plasticker: The quotes for standard plastics indicate price stability for May. The average May price (621 €/t) is caused by the marked increase in LDPE bale goods. However, this increase of 290 €/t is subject to statistical significance. The May price index shows subdued demand for plastic.

PIE – Plastic Information Europe, regranulates: In PIE – Plastic Information Europe the regranulates were quoted higher in May 2024. The premium grades of regranulates quoted here record average price rises of 8 €/t, averaged over all grades, see <https://pieweb.plasteurope.com/>.

4.2 Recycling technical plastics

plasticker: Recyclates, in this case regrinds and regranulates, were quoted 31 € higher in May and 48 €/t higher in June. The May price index is characterised by subdued demand for plastic.

PIE – Plastic Information Europe, regranulates: In PIE – Plastic Information Europe the regranulates were quoted higher in May 2024. The premium grades of regranulates quoted average price rises of 10 €/t to 90 €/t. PIE reports an upwards trend for prices and demand for technical plastics, see <https://pieweb.plasteurope.com/>.

4.3 PET recycling

From the press conference that took place at the 26th International Conference on Plastic Recycling, 11/12 June, Dresden: bvse e.V. sees a glimmer of hope in PET recycling, where stable conditions and rising demand for recycled PET, in particular for food packagings, can be seen again.

On the other hand, the sector is also complaining about a deterioration in the grades collected, such as in the drinks deposit system as a result of the expansion of the deposit to plastic bottles for milk drinks. The mix of various plastics, metals and coloured PET bottles requires elaborate sorting, which result in material losses and make recycling more difficult. Milk containers made of HDPE, PS and opaque PET were being accepted in the deposit system without systematic separation being guaranteed.

In the view of bvse e.V., these plastics must be separated in the return machines in the retail sector, which results in higher revenues for the recyclables and makes the recycling process easier. Material mixes are causing additional costs for recyclers who have to carry out extra sorting and technical adaptations. The increased operating costs and investments, however, are not borne by the distributors. The responsibility for this lies with the distributors, especially as the mixing impairs the quality of recycling transparent beverage bottles.

The PET markets: Markets in Germany are well supplied with domestic and foreign bottles. Increased volumes of PET beverage bottles are expected for June and July because of the Football European Championships. For PET recyclers, there is sufficient input of beverage bottles. In May 2024, the rel-

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evant price changes for used PET single-use deposit bottles were: PET transparent +10 €/t, PET mixed +5 €/t and PET coloured 0 €/t, see EUWID.

The quotes in PIE – Plastic Information Europe and EUWID are similar. For virgin grade, in this case granulates, the average value in PIE – Plastic Information Europe is 1,265 €/t and in EUWID it is 1,150 €/t. Regranulates are valued at an average 1,585 €/t and 1,550 €/t respectively and flakes at an average 1,250 €/t and 1,255 €/t respectively.

Detailed monthly reports on the PET prices for virgin grade and used beverage bottles can be found in EUWID and PIE - Plastics Information Europe.

5 Explanation on the price quotes

A detailed discussion with information of price indices for virgin grades and waste plastics as well as precursor products can be found in EUWID Recycling and Disposal see www.euwid.de. EUWID: No guarantee for any of the prices here; prices ex station. As a rule, the prices quoted refer to quantities in excess of 20 tons.

The quotes for secondary prices, which are updated on an hourly basis, can be calculated using the price lists that are derived from the quotations published in the raw material exchange plasticker, see www.plasticker.de. The prices listed in this index are quoted without reservation - as the majority of the quotes submitted are not necessarily equivalent to the sales prices. Plasticker offers the quality grades regrind and regranulates both as virgin materials and as secondary goods. The term 'bale goods' refers to waste plastics only. Furthermore, plasticker does not distinguish between the following grades: transparent, mixed colours or colour-separated. Therefore, the information provided by plasticker may indicate different market behaviour than the prices quoted by EUWID

A detailed discussion with information of price indices for virgin grades and waste plastics as well as precursor products can be found in PIE – Plastics Information Europe, see www.kiweb.de. For virgin grades, the indices for standard plastics (Plastixx ST) and technical plastics (Plastixx TT) provide a good overview of the price trends. Piweb quotes the monthly regranulates prices for standard plastics and technical plastics in the secondary markets. For secondary plastics, there are also details on PET, in this case flakes (flakes transparent, flakes mixed colours) as well as transparent regranulates.

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